

## **Idaho Public Utilities Commission**

Case No. CEN-T-13-02

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Contact: Gene Fadness (208) 334-0339, 890-2712

Website: [www.puc.idaho.gov](http://www.puc.idaho.gov)

### **Telephone company serving Salmon area elects to deregulate**

CenturyTel of Idaho has notified the Idaho Public Utilities Commission that it intends to remove its telecommunications services from price regulation effective July 2.

CenturyTel's filing does not immediately impact rates for the company's approximate 2,960 customers in Salmon, Leadore and North Fork.

In 2005, the Idaho Legislature amended the Telecommunications Act of 1988 to allow telephone corporations to elect to set their own rates rather than have them established by the commission. CenturyTel is part of CenturyLink (formerly Qwest), the large telecommunications company that advocated price deregulation in 2005, arguing that increased competition in the telecommunications field made it no longer necessary for the commission to set customer rates.

However, the commission retains authority to regulate customer service issues such as service quality standards, customer notice and customer relations rules and billing practices. CenturyTel's price lists must still be filed with the commission even though the commission will not set rates.

CenturyLink, then Qwest, initially sought price deregulation from the Idaho commission in 2003, but the commission denied the company's petition, ruling that cell phone service did not yet provide effective competition to landline telephone service. In 2004, Qwest asked the Idaho Legislature to amend the statute to allow price deregulation. The company's 2004 attempt failed, but an amended version passed the House in 2005 by a 48-22 vote. In the Senate, HB 224 ended in a tie vote with the Senate president, then Lt. Gov. Jim Risch, breaking the tie in favor of the bill.

Shortly thereafter, Qwest elected to price deregulate in both its northern and southern Idaho regions as did Verizon Northwest (now Frontier Communications).

There are nine rural telephone companies in Idaho that are still price regulated. Eight of those still receive Universal Service Fund (USF) disbursements. That fund helps rural companies provide service in areas where greater distances and fewer customers make providing service more costly than in urban areas. If those rural companies elected to price deregulate they would no longer receive USF disbursements.

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